

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4913H.01I  
Bill No.: HB 2445  
Subject: Education, Elementary and Secondary; Department of Elementary and Secondary  
Education  
Type: Original  
Date: March 14, 2022

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Bill Summary: This proposal authorizes certain school districts in multiple counties to use the county that yields the highest dollar value modifier under the school foundation formula.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
General Revenue	\$0 to (\$1,100,210)	\$0 to (\$1,100,210)	\$0 to (\$1,100,210)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0 to (\$1,100,210)</b>	<b>\$0 to (\$1,100,210)</b>	<b>\$0 to (\$1,100,210)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
<b>Local Government</b>	<b>\$0 to \$1,100,210</b>	<b>\$0 to \$1,100,210</b>	<b>\$0 to \$1,100,210</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

**Section 163.016 - Formula Calculation for Gasconade County R-II**

Officials from **Department of Elementary and Secondary Education** state to calculate the impact, the November 2020 formula calculation for Gasconade County R-II (037-037) was calculated using the county they are located in that has the highest Dollar Value Modifier (DVM) which is Franklin County at 1.093.

If the formula is fully funded then there would be an additional cost to the state of \$1,100,209.90 per year. If the formula is not fully funded then the additional money is going to be shifted from all other school districts.

In response to a similar proposal SB 660 (2019), officials from the **Gasconade County R-II School District** stated, based on the current foundation formula, WADA, and current conditions, this bill would add an additional \$1,090,071 to the district in state funding. There is no negative effect for this bill to the Gasconade County R-II district. In addition, this would not impact other public school districts negatively if the foundation formula is fully funded.

**Oversight** will show a range of impact as estimated by the Department of Elementary and Secondary Education.

<u>FISCAL IMPACT – State Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
<b>GENERAL REVENUE</b>			
<u>Transfer out - Increased formula funding to Gasconade County R-II School District</u>	\$0 to <u>(\$1,100,210)</u>	\$0 to <u>(\$1,100,210)</u>	\$0 to <u>(\$1,100,210)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>\$0 to <u>(\$1,100,210)</u></b>	<b>\$0 to <u>(\$1,100,210)</u></b>	<b>\$0 to <u>(\$1,100,210)</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
<b>SCHOOL DISTRICTS</b>			
<u>Transfer Out</u> - Decreased formula funding to other school districts if foundation formula is not fully funded - §163.016	(\$0 to \$1,100,210)	(\$0 to \$1,100,210)	(\$0 to \$1,100,210)
<u>Transfer In</u> - Increased formula funding to Gasconade County R-II School District from other school districts <b>or</b> GR - §163.016	\$0 to <u>\$1,100,210</u>	\$0 to <u>\$1,100,210</u>	\$0 to <u>\$1,100,210</u>
<b>ESTIMATED NET EFFECT ON SCHOOL DISTRICTS</b>	<b>\$0 to <u>\$1,100,210</u></b>	<b>\$0 to <u>\$1,100,210</u></b>	<b>\$0 to <u>\$1,100,210</u></b>

FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

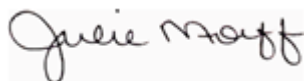
FISCAL DESCRIPTION

This bill specifies that Gasconade R-II school district which crosses county lines shall use Gasconade County as the dollar value modifier for formula calculations for school funding.


This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education  
 Gasconade County R-II School District



Julie Morff  
 Director  
 March 14, 2022



Ross Strobe  
 Assistant Director  
 March 14, 2022